



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

MAR - 6 2018

Administrator
Washington, DC 20201

The Honorable Greg Abbott
Governor of Texas
Austin, Texas 78711

Dear Governor Abbott:

Thank you for your letter to President Trump regarding Texas' pending section 1115 Medicaid demonstration proposal, entitled "Healthy Texas Women." The President has asked that I respond on his behalf. The Department of Health and Human Services (HHS) recognizes and appreciates your support for women's access to family planning and preventive services in the state.

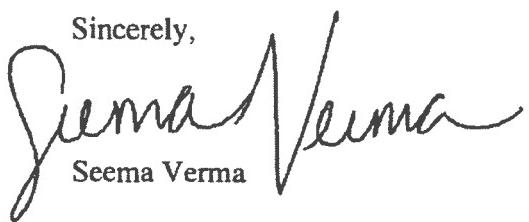
As you know, the Centers for Medicare & Medicaid Services (CMS) has been closely working with Texas on several section 1115 demonstration requests received from the state. With agreement from the state, CMS prioritized the review and approval of a five-year extension of Texas' comprehensive section 1115 demonstration, entitled, "Texas Healthcare Transformation and Quality Improvement Program," which was approved on December 21, 2017. Through close partnership and good faith negotiations, CMS refined the state's Delivery System Reform Incentive Payment program to remove the uncompensated care (UC) pool adjustment that penalized states that did not expand Medicaid, which was a policy of the previous administration. As part of this extension, we approved new flexibility for Texas in view of the state's particular circumstances, including the significant impact of Hurricane Harvey on the UC costs incurred by providers in the state, and these providers' need for operational and financial stability.

With this significant approval for Texas complete, CMS now is engaging the state on the review of its "Healthy Texas Women" section 1115 proposal with the same commitment and partnership. CMS staff are working with the state to establish a schedule of discussions to work through the details of the proposal and identify a path forward that aligns with the state's goals and Medicaid program objectives. We currently are awaiting additional information from the state to ensure that CMS is able to determine the appropriate special terms and conditions that will govern the demonstration, if approved. We are committed to working with Texas to provide low-income women in the state with increased access to critical family planning and other preventive services.

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Thank you again for your expressed commitment to Texas' Medicaid program. Should you have any additional concerns or questions, please contact the Office of Intergovernmental and External Affairs at (202) 690-6060.

Sincerely,

A handwritten signature in black ink, appearing to read "Seema Verma".

Seema Verma